



Progressive Income Tax Proposal Would Increase Taxes on Just 2% of New Yorkers

In much of New York State, less than 1% of filers would pay increased taxes

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Only 2% of personal income tax filers living in New York State would see increased taxes following the implementation of a progressive income tax proposed by the Invest in Our New York (IONY) coalition.

IONY is proposing progressively increasing income tax rates on single filers making more than \$300,000 and joint filers making more than \$450,000 in order to raise billions in additional revenue. Increases would be relatively modest in lower brackets. For instance, a single filer reporting \$400,000 in income would pay only \$650 in additional income tax.

The Public Accountability Initiative conducted an analysis of New York State personal income tax data from 2018 to estimate the overall and regional impact of the progressive income tax proposal. The data clearly show that the proposal is narrowly targeted to the state's richest tax filers – CEOs, high-level bankers and lawyers, real estate developers and hedge fund traders – who can afford a tax increase that for them would amount to a rounding error on their monthly credit card bill. Middle class households – even households with two six-figure incomes – would pay no extra tax.

Key Findings

The analysis produced the following key findings, based on an analysis of personal income tax data for the most recently available year, 2018. All filer numbers and percentages are based on 2018 data.

Statewide:

- **Only 2% of New Yorkers filing income taxes would pay increased tax.** Just 2.17% of personal income tax filers living in New York State, or 204,000 of 9.4 million filers, would pay additional income taxes under the progressive income tax proposal. The vast majority of personal income tax filers in New York State – 9.2 million, or 98% – would pay no additional income tax.
- **Targeting the 1% for tax increases of over \$1,000.** Only 1.48% of filers living in New York State earn over \$500,000 (140,000 filers) and would pay more than \$1,000 in additional income tax under the proposal.
- **The vast majority of those making between \$300,000 and \$500,000 would pay under \$1,000.** For instance, an individual making \$400,000 a year would pay only \$650 in additional income tax.

- **Less than 1% of filers make more than \$1 million, and would see the most substantial tax increases.** Only 0.58% of filers living in New York State (55,000 filers) earn over \$1 million and would pay additional tax under the proposal of over \$10,000.

Progressive Income Tax Proposal: Filers impacted, NYC, Long Island, Hudson Valley & Rest of State

Region	Total PIT filers	\$300k-\$1m		\$1m+		All affected (\$300k-\$1m & \$1m+)	
	Filers	Filers	%	Filers	%	Filers	%
New York City	4,107,683	68,701	1.67%	30,000	0.73%	98,701	2.40%
Long Island	1,457,362	33,262	2.28%	9,837	0.67%	43,099	2.96%
Hudson Valley	1,083,457	28,105	2.59%	10,543	0.97%	38,648	3.57%
Rest of State	2,749,407	19,220	0.70%	4,063	0.15%	23,283	0.85%
Total	9,397,909	149,288	1.59%	54,443	0.58%	203,731	2.17%

Source: New York State Department of Taxation and Finance, Personal Income Tax Filers Summary Datasets through tax year 2018, summary dataset #2, 2018 data. Available at:

<https://data.ny.gov/Government-Finance/Personal-Income-Tax-Filers-Summary-Dataset-2-Major/f3t7-zvbx/data>

Hudson Valley counties included: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester

Methodology

The above estimates were generated by analyzing New York State Department of Taxation and Finance personal income tax summary data for 2018, the most recent available tax year. The data set used included county of residence data for wide income ranges, including \$250k-\$500k, \$500k-\$1 million, and \$1 million plus. PAI estimated the number of filers in the \$250,000-\$500,000 bracket that would be affected by increases on the \$300,000+ (single filer) and \$450,000+ (joint filer) brackets, since these numbers are not broken out in the New York State data. The vast majority of filers in this bracket are joint filers whose income is less than \$450,000, and would be unaffected by the rate increase.